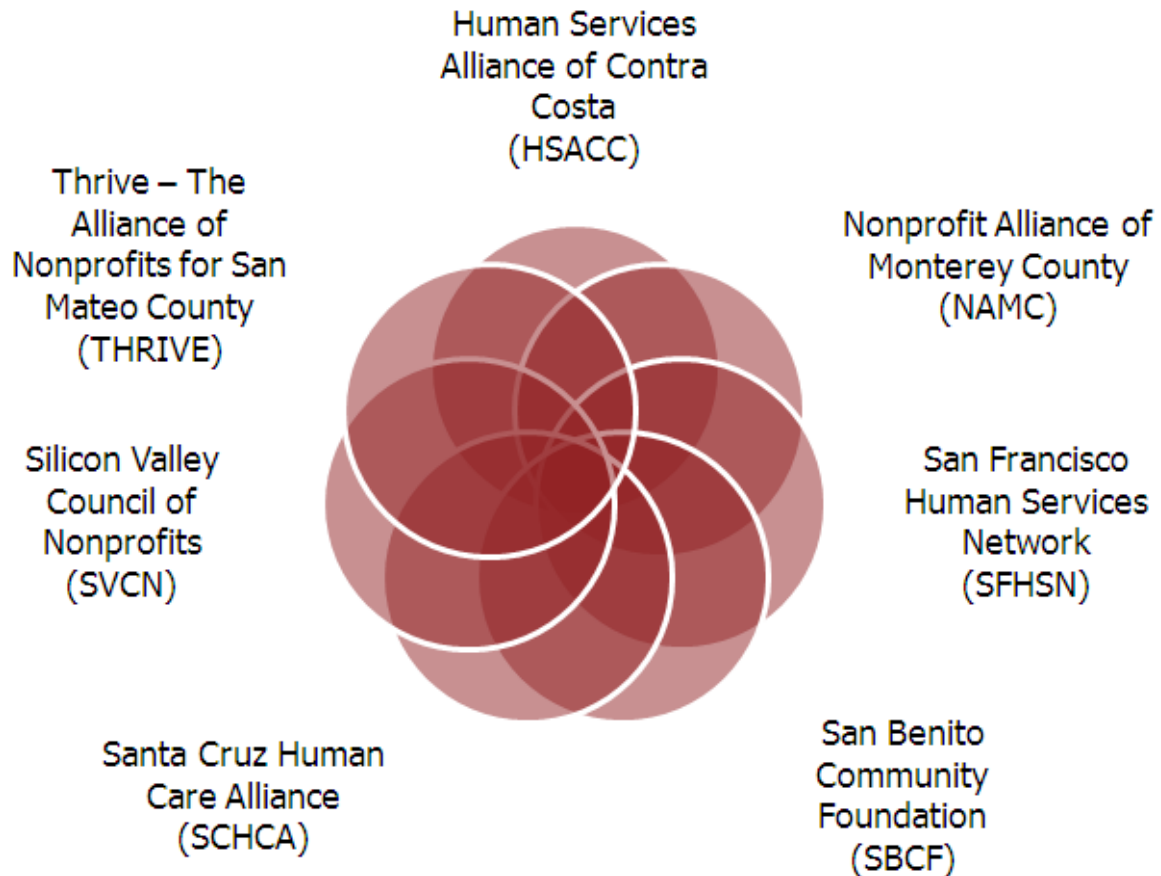




Bay Area Regional Partners Report on Public Policy and Advocacy in the Nonprofit Sector



The Bay Area Regional Partners is a coalition across seven counties interested in public policy and advocacy for health and human service organizations. Our survey consists of the following organizations:

- Human Services Alliance of Contra Costa (HSACC)
- Nonprofit Alliance of Monterey County (NAMC)
- San Francisco Human Services Network (SFHSN)
- San Benito Community Foundation (SBCF)
- Santa Cruz Human Care Alliance (SCHCA)
- Silicon Valley Council of Nonprofits (SVCN)
- Thrive - The Alliance of Nonprofits (THRIVE)
for San Mateo County
- United Way Silicon Valley (UWSV)

Alliance for Justice, Center for Excellence in Nonprofits, and Compasspoint also participate in the Regional Partner network to provide a more expansive voice for the nonprofit sector. These groups also provided crucial feedback to help wrap up the survey and its analysis.

The goal of the Regional Partner network is to magnify the voice and influence of nonprofits in policy and advocacy at both state and local levels. Each regional partner (RP) works in different counties on various issues, but we share many of the same values. Each of our organizations has different specialties and areas of focus. However, we share the belief that through our networking and relationship building we can enhance our efforts to promote a public policy and advocacy agenda, develop public policy in our own communities, and ensure that the Bay Area has a strong and sustainable nonprofit sector. Our intent is to share research, data collection, and communication to enhance the collective voice of the nonprofit sector at key policy making arenas in our region.

This report is an effort to collect data to look at the impact of our individual and regional impact in public policy. Our regional partners found this data useful to reference in future policy memos, position papers, and other works. We also believe this report will help us paint a picture with funders, the media, and policy makers on key issues of nonprofits and our engagement in public policy.

We started this project due to the work of The Center for Civil Society at Johns Hopkins Institute for Policy Studies. We used their study to benchmark and compare our work as individual coalitions, then to group them at the regional level and ultimately the national level. The Center's 2008 National Data Findings outlined the following:

- Advocacy must directly involve nonprofit organizations themselves.
- Intermediary organizations should play an active role in supporting individual organizations.
- Coalitions are not substitutes to spur involvement but should be catalysts.
- The policy community itself needs to be both educated and engaged.
- Principal targets of most nonprofit policy activity are at the state and local level, not federal.
- Key reasons for nonprofit involvement are:
 - *Relevance of legislation*
 - *Relevance to the people the organization serves*
 - *Executive Director interest*
 - *National Data*

Impact of the Coalitions

We wanted to learn what motivates individual nonprofits to join and be involved with their RP coalitions. We were pleased to learn that most of our members feel they have greater impact in public policy as part of a coalition for their organizations and the clients they serve. Many of our RP's provide training and education to their agencies, which is highly valued:

Indicate why your organization participates with this group.	Regional Partners	National Averages
We believe our organization has a greater impact as a part of a larger group	74%	73%
We appreciate the resources and education this group provides to nonprofits	77%	68%
We lack the time to lobby or advocate on our own, so this affiliation benefits us	41%	54%
Good networking opportunities	64%	50%
This group's relationship with established political connections gives voice to our sector	60%	49%
We use this group's data and research	31%	

Regional Partner Nuances: Only HSACC (60%), SFHNS (61%), and SVCN (51%) have a larger numbers of nonprofits that “lack the time to lobby or advocate” on their own. More of SVCN’s nonprofits (54%) than others make use of its data and research, most likely due to the fact that SVCN is more involved in data research for nonprofits.

Policy Interest

We wanted to learn the policy interests of our RPs and their member agencies on the various levels of government. Generally they are interested in issues at all levels, from “federal” to “city.” However, like the national average, the County is their key focus. RPs mostly work on county issues, and some (e.g. SFHNS in San Francisco, SCHSN in Santa Cruz, SVCN in San Jose) focus on city issues as well. Given that RPs are focusing more on local issues than federal issues, our data shows that we are spot on in serving the policy interests of our member agencies:

- 93% interested in County Issues
- 91% interested in State Issues
- 82% interested in Federal Issues
- 76% interested in City Issues

Our member agencies within our coalitions, not surprisingly, are interested in a wide variety of public policy areas. However, “behavioral health care” matters most to HSACC (80%) and SFHNS (58%); “children/childcare” to HSACC (53%) and SBCF (55%); “housing and homelessness” to SFHNS (54%); and “youth issues” to SBCF (64%), SVCN (56%), and THRIVE (56%):

Choose the public policy areas in which your organization is most interested.	Regional Partners
Youth Issues	47%
Housing and Homelessness	42%
Children/Childcare	40%
Behavioral Health Care	38%
Food and Shelter—Emergency Assistance	34%
Senior Policy Concerns	31%
Disability Issues	30%
Primary Health Care Clinics	29%
Justice Issues—Juvenile or Adult	27%
Legal Rights and Immigration	26%
Woman’s Services	26%
Employment Services	24%
Basic Aid	21%
LGBT Issues	20%
Environment	8%
Arts	5%

Advocacy: How are Nonprofits Engaged in Public Policy and Advocacy in our Region?



Five of our surveyed RPs fall into a group called the **Advocacy Block**: HSACC, SCHCA, SFHSN, SVCN, and UWSV. This group tends to have more staffing dedicated in public policy and also has more board members, clients, and overall staff engaged in all levels of policy and advocacy. Like the Center for Civil Society’s findings, our data shows that these organizations are catalysts in public policy advocacy and are therefore paramount to it. Without their high level of engagement, overall advocacy would ebb.

This chart shows a breakdown by each RP in key advocacy areas of speaking at public hearings, attending meetings, testifying at hearings, and contacting elected officials:

Over the last year, how has your organization engaged with this group in public policy advocacy? Check all that apply.									
	<i>Agency leader spoke at a public hearing</i>	<i>Attended a meeting organized by the coalition</i>	<i>Attended a public hearing to show support</i>	<i>Attended with the coalition a meeting with an elected official or key staff person</i>	<i>Brought board members to testify at hearings</i>	<i>Brought clients to testify at hearings</i>	<i>[Contacted] a policy maker at the request of the coalition</i>	<i>None of the above</i>	<i>Other</i>
SCHCA	53%	78%	72%	56%	13%	38%	59%	6%	9%
SVCN	52%	86%	81%	48%	5%	24%	67%	7%	7%
HSACC	50%	71%	71%	50%	0%	7%	50%	0%	21%
UWSV	36%	73%	66%	34%	5%	21%	59%	11%	11%
SFHSN	41%	71%	69%	38%	2%	19%	45%	10%	12%
SBCF	33%	67%	42%	42%	8%	8%	25%	17%	17%
NAMC	15%	31%	46%	31%	0%	15%	15%	39%	8%
THRIVE	18%	59%	29%	25%	5%	5%	34%	25%	14%
Regional Partners	37%	68%	58%	38%	4%	18%	46%	15%	12%
National Averages	35%			50%	33%	12%	50%		

Advocacy Motivators

As we breakdown our RPs’ interests in advocacy even further, we learn more about advocacy motivators. Nonprofits primarily participate in advocacy because it affects “clients,” “nonprofits in general,” or their “organization’s funding”:

Indicate what motivates your organization to participate in advocacy.	Regional Partners	National Averages
<i>Advocacy that affects our clients</i>	84%	84%
<i>Advocacy that affects nonprofits in general</i>	61%	42%
<i>Advocacy that affects our organization's funding</i>	74%	77%

Services will be cut, programs eliminated, and clients impacted by policy decisions. This can be a cut by government or a change in policy, such as increasing the age eligibility of foster care youth.

Executive directors continue to be the driving force in public policy advocacy, far outpacing the national average. We note the spike in board member involvement in advocacy is due in great part to SVCN and UWSV engaging more board members in it. However, we also found in our survey that board interest in policy and advocacy was rather limited, which validates a need for board training in public policy and advocacy.

Many of our nonprofits involve program managers and direct program staff, which explains how our region has greater participation than the national average. However, except for NAMC (46%), we have an overwhelmingly small number of volunteers involved compared to

the national average. SBCF's nonprofits (8%) also have the least number of clients involved in advocacy:

Indicate who in your organization is involved in public policy advocacy.	Regional Partners	National Averages
<i>Executive Director</i>	85%	71%
<i>Other Staff</i>	65%	40%
<i>Board Members</i>	55%	33%
<i>Clients</i>	30%	12%
Volunteers	29%	90%
<i>N/A</i>	2%	

Financial Stability of Nonprofits

Overall in the nonprofit community, there is a trend of concern and an ability to respond to change and restructure. Nearly 1/3 of respondents report having "fewer staff," many expect "additional downsizing," and 39% are concerned about their economic conditions. However, 41% also report being "financially strong/stable," and 47% are "optimistic" about their economic condition. Here is what we learned about nonprofits in our region:

- *41% are financially strong/stable.*
- *47% are optimistic about their economic condition.*
- *39% are concerned about their economic condition.*
- *24% list cash flow as a concern.*
- *21% have restructured their agency.*
- *26% downsized or reduced programs without eliminating them, while 12% did eliminate whole programs and services.*
- *30% have fewer staff over last year.*
- *19% reduced staff benefits over last year.*
- *27% expect additional downsizing in FY 2011-12.*

Regional Partner Nuances: More of HSACC's nonprofits (51%) than others are concerned about their economic conditions, and more of SFHNS's nonprofits than others "have fewer staff over last year" (51%) and "expect additional downsizing" in the next fiscal year (47%).

Nonprofits are concerned in many new areas compared to previous years. The biggest concern among them is that "government funding...will be reduced":

- *39% say client need is greater than 20% over last year.*
- *27% will have workforce reductions.*
- *42% say donors will continue to give less.*
- *50% are worried about rising health care costs.*
- *23% are worried about staff recruitment and retention.*
- *62% worry Government funding for their agency will be reduced over 10% in the next fiscal year.*
- *43% will not receive a cost of doing business increase in their government funding to pay for rising expenses.*

Regional Partner Nuances: More of HSACC (60%) and SVCN's (50%) nonprofits report an over 20% increase in client need. More of SVCN's nonprofits (52%) are also concerned that

their donors “will continue to give less,” as are NAMC’s (58%). NAMC (33%), SBCF (25%), and THRIVE (39%) have the least number of nonprofits concerned with “rising health care costs.” THRIVE (46%) also has the least number of nonprofits concerned with government funding being reduced over 10%. Lastly, more of HSACC (53%), SFHSN (74%), and SCHCA’s (50%) nonprofits are concerned with not receiving a “cost of doing business increase” in government funding.

Giving Trends

We compared the nonprofits that reported increases in individual, corporate, and foundation giving. Our data shows that budget size and financial stability mainly determine which type of organizations see increased giving trends, not the type of agency (whether a nonprofit provides mental health, youth, senior or emergency services):

- Nonprofits with larger budget sizes (over \$2 million):
 - Are more likely to report being “financially strong/stable.”
 - Have seen deeper cuts in staff benefits.
 - Have had more stable fundraising with slight increases, regardless of service delivery area.
 - Seem to eliminate whole programs and services instead of just downsizing.
- Nonprofits with smaller budget sizes (under \$2 million):
 - Are less likely to report being “financially strong/stable.”
 - Seem to downsize or reduced programs instead of eliminating them.
 - Are less able to secure new funding streams.
- Nonprofits that are “financially strong/stable” are more likely to participate in public policy advocacy.

Overall, the survey showed that giving continues downward for 24% of the agencies over previous years and in all areas of giving—individual, corporate, and foundation giving. Nearly 30% remain the same, 17% are seeing increases, and roughly 14% are uncertain:

Individual Giving	Last Year’s Levels	Increase	Decrease
Larger Budget Size (at least \$2 million)	29%	31%	18%
Smaller Budget Size (under \$2 million)	28%	20%	26%

60% of larger agencies are holding or increasing, compared to 48% for small agencies.

Corporate Giving	Last Year’s Levels	Increase	Decrease
Larger Budget Size (at least \$2 million)	36%	17%	23%
Smaller Budget Size (under \$2 million)	27%	6%	21%

53% of larger agencies are holding or increasing, compared to 33% for small agencies.

Foundation Giving	<i>Last Year's Levels</i>	<i>Increase</i>	<i>Decrease</i>
Larger Budget Size (at least \$2 million)	31%	20%	30%
Smaller Budget Size (under \$2 million)	29%	11%	26%

51% of larger agencies are holding or increasing, compared to 40% for small agencies.

Regional Partner Nuances: Only SBCF had a slight majority of its nonprofits with increases and the least decreases in individual giving. This was also true for corporate giving, while NAMC, SFHSN, and SCHCA experienced more significant losses in corporate giving. SCHCA also experienced more significant losses in foundation giving.

Summary

RP's focus on various types of public policy and advocacy issues at all levels of government—particularly in the county—and our member agencies benefit from us in many different ways. We provide a number of key services to our member agencies, and at the same time they allow us to work within our coalitions to be champions for various nonprofit issues.

On the financial conditions of nonprofits, the bad news is nonprofits overall have had reduced staffing; concerns for future financial losses; and up to 1/3 of their nonprofits see losses in individual, corporate, and foundation giving. One member agency, for instance, commented that it "has had to work 3x as hard" to maintain its level of individual giving. Nonetheless, 1/3 of us reports being financially strong, and up to 1/3 has stable levels of individual, corporate, or foundation giving, with some increases. In other words, the good news is we have managed to hang on and endure the state budget crisis thus far. We also see that agencies with larger budget sizes are doing better financially than agencies with smaller budget sizes.

Next Steps and Recommendations

- We have developed a survey on regional trends that can be shared with funders and the media.
- We have a better understanding of how our work jointly influences the broader role of advocacy.
- Each Regional Partner will be sharing this data with their groups and looking for trends.
- Each Regional Partner now has benchmark data on fundraising, public policy, and advocacy.
- We have identified the importance of having a training module regarding advocacy to integrate into core board training that could be used by our capacity training organizations, such as CompassPoint. We want advocacy to be as much a centerpiece as financial oversight.
- We have identified fundraising and internal capacity building is needed within each individual coalition to build their ability to serve to continue and build advocacy in the sector. Many of our coalitions are struggling to be adequately staffed to handle the immense policy issues before us.

Data Collection Methods

SVCN conducted this survey throughout April 2011 and received 210 responses from nonprofits across the larger Bay Area, including Monterey and Santa Cruz. Results from the survey overall and for each RP were recorded on a spreadsheet. The results were also cross-tabulated to see trends in areas such as "budget size" and "financial stability."

Overall, 25% of the agencies surveyed have budget sizes “under \$500,000,” 20% “over \$10 million,” and the rest are spread nearly evenly:

- Under \$500,000 25%
- \$500,000 – \$1 million 12%
- \$1 million – \$2 million 17%
- \$2 million – \$3 million 10%
- \$3 million – \$6 million 11%
- \$6 million – \$10 million 7%
- Over \$10 million 19%

NAMC, SBCF, SCHCA, and THRIVE had majority budget sizes of “under \$500,000.” HSACC, SFHSN, SVCN, and UWSV had majority budget sizes of “over \$10 million.”

Note that in the section “Policy Interest” the data sheet shows “County” and “City” issues with 83% and 66%. In our survey, this question included the answer choice “City/County (San Francisco only),” which skewed some percentage numbers for SFHSN. For the White Paper, we used SFHSN’s percentage number for “City/County (San Francisco only) and recalculated the averages for “County” and “City” issues.



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Other Resources:

United Way Silicon Valley (UWSV) had similar findings on the well-being of the Bay Area nonprofit community. UWSV's survey can be found on their website: <http://www.uwba.org/news/2011/05/united-way-survey-bay-area-nonprofits-still-reeling-from-recession/>

The Center for Civil Society at Johns Hopkins Institute for Policy Studies. http://adm-cf.com/jhu/pdfs/LP_Communicues/LP_Communique9_Advocacy_2008.pdf or <http://www.ccss.jhu.edu/>